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Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 TRSE-00 OMB-01 FRB-03 AID-05 XMB-02
PRS-01 PA-01 USIA-06 /050 W
----------252011Z 040394 /46
R 251724Z JAN 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 9879

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E.O. 11652: N/A
TAGS: ELAB, EGEN, MX
SUBJ: JLP INAUGURATES WORKERS' BANK AND HAILS LABOR/MANAGEMENT
COOPERATION

1. PRESIDENT LOPEZ PORTILLO OFFICIALLY INAUGURATED THE WOKERS' BANK (BANCO OBRERO) IN A LARGE CEREMONY HELD ON THE MORNING OF JAN 21. GOM AUTHORIZATION OF THE BANK FULFILLES A JLP DECEMBER 1 INAUGURAL SPEECH PROMISE AND TWENTY-YEAR GOAL OF ORGANIZED LABOR. THE BANK WILL BE AN INSTITUTION OF DEPOSIT, SAVINGS AND LOAN AVAILABLE FOR USE OF ALL WORKERS WHETHER OR NOT ORGANIZED. CTM LEADERS CLAIM THAT INITIAL CAPITAL OF 100 MILLION PESOS HAS BEEN 50 TO 60 PERCENT SUBSCRIBED "EXCLUSIVELY FROM MAJOR MEXICAN UNIONS" AND THAT THERE IS NO GOM OR PRIVATE SECTOR PARTICIPATION. GOM AUTHORIZATION INCLUDES SUPERVISION AND INSPECTION BY THE NATIONAL COMMISSION OF BANKING AND INSURANCE.

2. JLP USED THE INAUGURATION AS A FORUM FOR PRESENTING A NEW DECREE AUTHORIZING THE SECRETARY OF COMMERCE TO NEGOTIATE WITH INDUSTRY FOR THE PRODUCTION OF 90 BASIC COMMODITIES AT LOW PRICES (SEPTEL) AND FOR FAILING WHAT HE TERMED A "SOCIAL PACT" WHICH IF SUCCESSFUL WOULD "CONTROL THE ECONOMIC DISORDER (THAT EXISTS) NOT ONLY IN MEXICO."
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AFTER PRAISING ORGANIZED LABOR FOR ITS RESPONSIBLE ROLE IN REFRAINING FROM DEMANDS FOR INFLATIONARY WAGE INCREASES, AND ITS HISTORIC CONTRIBUTIONS TO THE COUNTRY, JLP ANNOUNCED THAT "WE NOW HAVE A FIRST AND BEAUTIFUL (HERMOSA) RESPONSE FROM THE PRIVATE SECTOR. COMMERICAL AND INDUSTRIAL ESTABLISHMENT HAVE OFFERED US A POPULAR ALLIANCE FOR PRODUCTION AND DISTRIBUTION."

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3. COMMENT: WHILE JLP SPOKE EFFUSIVELY OF THE POPULAR ALLIANCE AND THE "SOCIAL PACT" AS IF BOTH LABOR AND THE PRIVATE SECTOR HAD MADE MAJOR NEW COMMITMENTS, (IN DECEMBER THE GOM NEGOTIATED TEN INVESTMENT AGREEMENTS WITH THE PRIVATE SECTOR AND LABOR CONSENTED TO ONLY 9-10 PERCENT NATIONAL MINIMUM WAGE INCREASES, BOTH OF WHICH FELL UNDER THE "POPULAR ALLIANCE" RUBRIC), THERE IS NOTHING TANGIBLE YET. WE BELIEVE JOP WAS SIMPLY JAWBONING ON THIS OCCASION, HOPING TO KEEP ALIVE A FRAGILE SPIRIT OF COOPERATION WHICH BOTH LABOR AND MANAGEMENT HAVE SHOWN. A PROBLEM IS THAT LABOR'S FOREBEARANCE ON WAGES IS MORE VISIBLE AND DEMONSTRABLE THAN IS MANAGEMENT SUCCESS AT CONTROLLING PRICES -- HENCE THE FANFARE SURROUNDING THE WORKERS' BANK (TO WHICH GOM APPARENTLY IS MAKING NO FINANCIAL CONTRIBUTION) THE PRESIDENTIAL PRAISE OF LABOR'S BEHAVIOR, AND JLP'S ATTEMPTS TO SHOW THAT MANAGEMENT TOO IS ACTING RESPONSIBLY.
JOVA

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKS, ESTABLISHMENT OF OFFICES, LABOR OBJECTIVES
Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO00874
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770027-0308
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770121/aaaaascj.tel
Line Count: 80
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Litigation History:
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Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3512168
Secure: OPEN
Status: NATIVE
Subject: JLP INAUGURATES WORKERS\' BANK AND HAILS LABOR/MANAGEMENT COOPERATION
TAGS: ELAB, EGEN, MX
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ed719ed1-c288-dd11-92da-001cc4696bcc
Review Markings:
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Declassified/Released
US Department of State
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